



# Property Ventures Limited (In Receivership)

Receivers Six Monthly Report pursuant to  
Section 24 of the Receiverships Act 1993

13 May 2011

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# Introduction

We, Timothy Wilson Downes and Simon John Thorn of Grant Thornton New Zealand Limited were appointed jointly and severally as receivers and managers of all the assets, property and undertaking of Property Ventures Limited (“PVL” or the “Company”) on 5 March 2010 by Allied Farmers Investments Limited (“Allied”).

We were appointed under the powers contained within a general security agreement dated 6 July 2006.

We set out below our report on the state of the affairs of the Company following our appointment.

The property in receivership comprises all of the assets, property and undertakings of the Company which is now under our control.

Our last report on the Receivership was dated 11 November 2010.

The director of the Company at the date of our appointment was David Ian Henderson. Mr Henderson was adjudicated bankrupt on 29 November 2010.

## **Earthquake**

Delays have been experienced in progressing the outstanding matters in this Receivership following the Christchurch earthquake. Our files are held in our office located in the red zone of the CBD in Christchurch which remains inaccessible. Some of these files have now been retrieved and we are working on rebuilding these.

Our office has relocated following the earthquake, we are now located at:

Level 1 International Antarctic Attraction  
38 Orchards Road  
Christchurch International Airport  
PO Box 2099, Christchurch  
Phone 03 379 9580

## Property Disposed of Since Last Report

Property realised since our last report consists of two electric cars. Net proceeds realised from the sale of this property after costs of recovery, sale and GST was \$4,786.

### **Proposals for Disposal of Remaining Property in Receivership**

The Receivers have identified a number of assets and other property they consider may be realisable in the receivership. These include the following:

1. fixed assets, which comprise of office fixtures and fittings, chattels, and artworks
2. investments in numerous subsidiaries and related advances
3. intellectual property including registered trademarks held by the Company
4. items stored at a warehouse leased by the company

The Receivers note that the property referred to in notes 1 and 4 above are subject to ongoing legal disputes with various entities associated with Mr Henderson.

In respect of the investments and advances made by the company, it is noted that a number of subsidiaries and other entities related to Mr Henderson are insolvent and have been placed in receivership and/or liquidation. It is not known presently whether any value may be recovered from these investments and advances.

Details of potential value of the property remaining to be realised have been withheld so as not to prejudice our ability to obtain the best price reasonably obtainable from such property.

## Particulars of Debts and Liabilities Currently Outstanding

Secured Creditors	\$	\$
Allied Farmers Investments Limited – Guarantee	40,856,151	
South Canterbury Finance Limited – Guarantee regarding Cashel Ventures Limited	27,425,000	
Finance Now Ltd	<u>2,720</u>	
		68,283,871
<b>Preferential Creditors</b>		
Employee Entitlements*	209,115	
IRD	<u>101,618</u>	
		310,733
<b>Unsecured Creditors</b>		
IRD – non preferential	26,123	
Employee – non preferential	126,564	
Trade & Expense	<u>592,749</u>	
		<u>745,436</u>
<b>Total</b>		<u><u>69,340,040</u></u>

\* These preferential employee amounts have not been reviewed at date of preparation of this report

Based on the expected realisation of assets during the receivership, it appears highly unlikely that any funds will be available for distribution to unsecured creditors.

# Receipts and Payments

## Statement of Receipts and Payments for the period 5 September 2010 – 5 March 2011

	\$	\$
Balance Brought Forward		18,454
Receipts (excluding GST where applicable)		
GST Refund	7,139	
Interest Received	1	
Sale of Assets	6,044	
Total Receipts	<u>13,184</u>	13,184
Less Payments (excluding GST where applicable)		
Bank Fees	85	
Commission and other costs on sale of assets	1,258	
Legal Fees	11,467	
Total Payments	<u>12,810</u>	12,810
Net Receipts and Payments		<u>18,828</u>
Represented By:		
Cash at Bank		26,881
GST Liability		<u>(8,053)</u>
		18,828

## Appendix 1 – Restrictions

All information contained in this report is provided to you in accordance with our appointment.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon by us is true and accurate in all material respects and not misleading by reason of omission or otherwise.

We have not independently verified the accuracy of the information provided to us, and have not conducted any form of audit in respect of the company. We express no opinion on the reliability, accuracy or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

The statements and opinions expressed in this report are based on information available and assumptions made as at the date of this report. It is possible that actual outcomes may be significantly different from those disclosed in this report.

We reserve the right, but will be under no obligation, to review or amend our report, as additional information becomes available. In addition the following should be noted:

- Certain values included in tables in this report have been rounded and therefore may not add exactly.
- All amounts are stated in New Zealand dollars.

